

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Deerfield Financial Corporation / Bank of Deerfield

Point of Contact:	Sigurd A. Bringe	RSSD: (For Bank Holding Companies)	1416738
UST Sequence Number:	1104	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	2,639,000	FDIC Certificate Number: (For Depository Institutions)	2477
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	May 15, 2009	City:	Deerfield
Date Repaid <sup>1</sup> :	N/A	State:	Wisconsin

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Bank of Deerfield has made and continues to offer to make loans in our market area. We believe that utilization of CPP capital is one factor that has allowed us to make loans available during the economic downturn.

☐ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

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☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

The additional capital injection has given the Bank a hedge, an added measure of safety against the uncertainties we and our customers are facing during the economic downturn.

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We were able to make the decision to work with our customers rather than require immediate repayment of loan balances in some instances in order to reduce credit risk to the Bank. This has allowed those customers greater latitude to work through the issues they are facing and hopefully maintain their homes and businesses and the jobs they support.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

We have continued making credit available in our marketplace even as other financial institutions have restricted credit or shown some of their long term customers the door in order to improve their Banks capital ratios.

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**Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.**

Deerfield became one of the sites for the Madison Area Builder's Association Parade of Homes in 2010 and 2011. This is the first time the Parade has been held here. Bank of Deerfield made the decision to and has financed 100% of the Parade Homes in Deerfield over the past two years in part because we received CPP funds. The Bank's financial strength, image in the community and safety have all been enhanced by the addition of CPP funds during the current downturn.